

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re REFCO INC. SECURITIES LITIGATION	:	Case No. 07-md-1902 (JSR)
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**SPECIAL MASTER ORDER ON DISCOVERY DISPUTES**

SPECIAL MASTER RONALD J. HEDGES, for good cause shown, hereby orders as follows:

1. As set forth in a joint letter submitted on January 24, 2011, Defendants Mark Kavanagh and Brian Owens contend that the Krys plaintiffs have produced to numerous parties in the above-referenced action hundreds, and perhaps thousands, of documents subject to the attorney client and/or work product privilege, and that are covered by the common interest privilege shared at one time between Kavanagh, Owens, and Christopher Sugrue, on the one hand, and PlusFunds and/or SPhinX on the other hand. In addition, Kavanagh and Owens contend that in the Krys plaintiffs' production of Sugrue's e-mails, they have included documents that are covered by the attorney client privilege that Kavanagh and Owens (and Sugrue) enjoyed with counsel. Kavanagh and Owens intend to seek from the court the entry of a protective order prohibiting any party outside of the relevant privilege from using these documents. Certain parties have objected to the procedures proposed by Kavanagh and Owens in their January 24, 2011 letter.

2. Any argument or resolution of the issues raised by Kavanagh and Owens in the January 24 letter will be stayed until Judge Rakoff issues a final ruling on all pending motions to dismiss.

3. No party shall be deemed to have waived any rights with respect to the above-referenced issues, including but not limited to, issues concerning attorney client privilege and/or work product.

SO ORDERED this 3d day of March, 2011

A handwritten signature in black ink, appearing to read "R. Hedges", written over a horizontal line.

HON. RONALD HEDGES  
SPECIAL MASTER